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Social and Economic Foundation of the Implementation of Blockchain-Based Systems of Digital Assets in Developing Countries

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Abstract

Background:

New digital technologies blur the boundaries of our lives. They create a new reality – virtual, but quite tangible. If you are interested in digital economy, you must have noticed a rapid rise in the Bitcoin value. Just over a year ago, on January 1, 2017, one Bitcoin was worth about 1.000 USD. By the end of December 2017, its value increased to more than 14.000 USD reaching 20.000 USD at the end of 2017. Regarding the statistics for Bitcoin requests in search engines for the year, the largest number of requests was registered in December 2017, but already by December 2018, the value of this index has substantially declined. As for the statistics for Blockchain requests, the situation is slightly better: as of December 2018, the number of searches relating to Blockchain has decreased by only four times compared to the previous year.

The Blockchain technology used in crypto currencies, such as Bitcoin, and in systems of digital assets, such as the Bitbon System, can actually have the potential to exert deep social and economic influence and transform all sectors of the economy along the way.

The purpose of the study is to theoretically substantiate and experimentally test the social and economic foundation of the implementation of Blockchain-based systems of digital assets in developing countries.

Methods:

Theoretical and methodological foundations of the study comprise sociocultural, holistic, systemic, synergistic, competence-based approaches to the implementation of systems of digital assets in developing countries. Research is carried out based on theoretical, empirical and experimental methods.

Results:

1) the key definitions have been clarified based on modern theoretical and methodological approaches;
2) the peculiarities and the state of social and economic systems in developing countries have been studied, the most promising directions for implementing systems of

digital assets into the economies of such countries have been identified;

3) the social and economic foundations and the technology for implementing systems of digital assets in developing countries have been theoretically substantiated.

Conclusions:

The system of digital assets is built on a revolutionary technology, the so-called Blockchain. Blockchain is a public distributed ledger, which constitutes a sequential chain of generated transaction blocks built according to certain rules. Each subsequent block of the structure contains information about the previous block, so on the whole, the chain stores the entire history of completed transactions, which cannot be modified or deleted. At the same time, through the use of an open standard system, unification of the processes of collecting, consolidating and storing all data is achieved. The transparency and security of the data stored in the Blockchain ensures unprecedented trust and effective interaction between users.

The author, A. A. Kud, developed the original concept of the Bitbon System based on the Blockchain technology with technological, software and methodological support and with legal supervision of its implementation.

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